

State of California



Fair Political Practices Commission

P.O. BOX 807 • SACRAMENTO, 95804 • • • 1100 K STREET BUILDING, SACRAMENTO, 95814

Technical Assistance • • Administration • • Executive/Legal • • Enforcement
(916) 322-5662 322-5660 322-5901 322-6441

May 17, 1985

K. D. Lyders
City Attorney
City of Oxnard
300 W. Third Street
Oxnard, CA 93030

Re: Your Request for Advice
Our No. A-85-117

Dear Mr. Lyders:

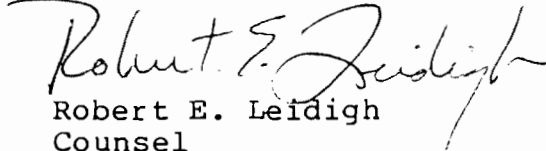
We are in receipt of your letter of May 13, 1985, seeking advice regarding Edward K. Paul, member of the Planning Commission of the City of Oxnard. Unfortunately, we cannot provide you with either an Opinion (Gov. Code Section 83114(a)) or with formal written advice (Gov. Code Section 83114(b), 2 Cal. Adm. Code Section 18329 (newly adopted)) at this time. I enclose a copy of the just-adopted regulation for your review. Before specific written advice could be provided we would need Mr. Paul's version of the facts, we do not provide advice based upon facts provided by third parties. If Mr. Paul wishes us to provide him with formal written advice, he should provide us with all the material facts. He may do this directly or he may have you act as his authorized representative.

At this time, I will treat your letter of May 13 as a request for informal assistance. I enclose a copy of the Commission's Nord Opinion, 8 FPPC Opinions 6, No. 83-004; and our regulations dealing with otherwise related business entities, 2 Cal. Adm. Code Sections 18236 and 18706. As you can see, these interpretations of the law are rather narrow in scope and apply only where substantial ownership or operational connections exist between the two business entities in question.

K. D. Lyders
May 17, 1985
Page 2

If Mr. Paul does desire further assistance, please do not hesitate to contact this office.

Sincerely,

A handwritten signature in dark ink, appearing to read "Robert E. Leidigh". The signature is fluid and cursive, with a long horizontal stroke at the end.

Robert E. Leidigh
Counsel
Legal Division

REL:plh
Enclosures
cc: Edward K. Paul
Joan M. Maurer
Cherie Johnson

State of California



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June 11, 1985

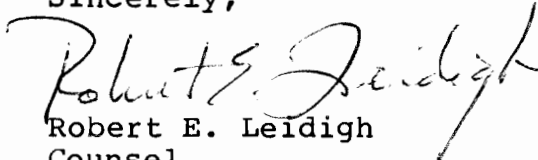
Edward F. Paul
Planning Commissioner
City of Oxnard
c/o Walker & Paul
P.O. Box 6211
Oxnard, CA 93031

Re: Your Request for Advice
Our File No. A-85-117

Dear Mr. Paul:

In response to your request for written advice from the Commission, I have reviewed the advice letter from City Attorney K.D. Lyders regarding your situation and I concur in his conclusions, although not in every aspect of his analysis. However, I believe the conclusion is what you desire.

Sincerely,


Robert E. Leidigh
Counsel
Legal Division

REL:plh
cc: K. D. Lyders

JESSE D. WALKER
(1917-1981)
EDWARD F. PAUL



Walker and Paul

REAL ESTATE INVESTMENTS

MAY 22 2 20 PM '85
P.O. BOX 6211

(805) 983-3396

OXNARD, CA 93031

MAY 22, 1985

MR. ROBERT E. LEIDIGH
COUNSEL, LEGAL DIVISION
STATE OF CALIFORNIA
FAIR POLITICAL PRACTICES COMMISSION

RE: YOUR NO. A-85-117

DEAR MR. LEIDIGH,

WITH REFERENCE TO YOUR COMMUNICATIONS WITH OXNARD CITY ATTORNEY, K.D. LYDERS, I DO REQUEST FORMAL WRITTEN ADVICE.

THE OXNARD BUSINESS RESEARCH PARK IS A RATHER LARGE AND LONG-TERM DEVELOPMENT PROPOSED FOR OXNARD. ONE OF THE PRINCIPALS IN THAT PROPOSED DEVELOPMENT IS MR. MARTIN V. SMITH.

IT IS CORRECT THAT MR. SMITH IS A LANDLORD FOR CARRIAGE SQUARE WINE & SPIRITS, A BUSINESS VENTURE OF MINE. WHEN I PURCHASED THE STORE IN NOVEMBER, 1980, I ASSUMED THE OBLIGATIONS OF AN EXISTING LEASE THAT RUNS TO JUNE 1992. IN 1983, I EXPANDED THE STORE AND ENTERED INTO A NEW LEASE WITH THE SAME EXPIRATION DATE AND SAME PERCENTAGE CLAUSE AS THE OLD LEASE BUT WITH A CURRENT MARKET RATE FOR BASE RENT. IT IS MY UNDERSTANDING THAT THESE WERE THE SAME TERMS BEING OFFERED TO OTHER TENANTS AT THE TIME.

IT IS ALSO CORRECT THAT I AM ONE OF SEVEN ORGANIZERS FOR CHANNEL ISLANDS NATIONAL BANK (PROPOSED). TWO OF THE OTHER ORGANIZERS ARE MENTIONED, MR. GARY O'BRIEN, A VICE-PRESIDENT OF THE MARTIN V. SMITH ORGANIZATION AND MR. STANLEY COHEN, LEGAL COUNSEL FOR MR. SMITH.

MY INTEREST IN THE PROPOSED BANK AND RELATIONSHIP
WITH MESSRS. SMITH, O'BRIEN OR COHEN APPEAR TO BE
THE QUESTION.

ASIDE FROM THE STORE LEASE, I HAVE NO ARRANGEMENTS
WITH MR. SMITH. THE PROPOSED BANK IS AN EXISTING
BRANCH OF UNION BANK AND SEVERAL MILES FROM THE
PROPOSED DEVELOPMENT.

I WOULD BE QUITE WILLING TO SUPPLY ANY OTHER
INFORMATION YOU MAY REQUEST.

VERY TRULY YOURS,

A handwritten signature in cursive script, appearing to read "Edward F. Paul".

EDWARD F. PAUL
PLANNING COMMISSIONER
CITY OF OXNARD

CC: K.D. LYDERS

EFP:gss



MAY 24 3 21 AM '85

CITY ATTORNEY • 300 W. THIRD STREET • OXNARD, CALIFORNIA 93030 • (805) 486-4311 EXT. 2270

K. DUANE LYDERS, CITY ATTORNEY

May 21, 1985

Edward F. Paul
1964 Rhonda
Oxnard, Ca 93030

Re: Oxnard Business-Research Park: Alleged Conflict of Interest

Dear Mr. Paul:

Enclosed is information received from the Fair Political Practices Commission regarding my request for advice dated May 13, 1985. The Commission did not answer my request directly but enclosed the Nord opinion and other information dealing with otherwise related business entities. Based upon the information received, it does not appear to me that a conflict of interest exists which would require your disqualification in matters relating to the Oxnard Business-Research Park.

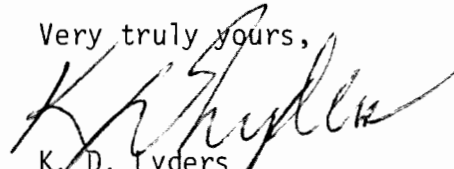
The letter dated May 8, 1985, from Mrs. Maurer and Mrs. Johnson raised two areas of possible conflict. The first involves your relationship to Martin V. Smith as a tenant in the Carriage Square Shopping Center. The first question is whether your leasehold interest has a bonus value over \$1,000.00, thereby constituting an investment under section 87103 of the Government Code. Assuming that it did, then you would be disqualified from any decision having a material financial affect on Martin V. Smith or any "related business entity". The test for a related business entity is whether substantial ownership or operational connections exists between the two business entities in question. If it were shown that Martin V. Smith had the controlling interest in the Oxnard Business-Research Park, then the conflict situation might exist. On the other hand, if your leasehold interest was worth less than \$1,000.00 or if Martin V. Smith does not have the controlling interest in Oxnard Business-Research Park, then no such conflict would exist.

Edward F. Paul
May 21, 1985
Page 2

The second basis for an alleged conflict was the fact that you are a director and shareholder of the proposed Channel Islands National Bank. It does not appear that Martin V. Smith has any interest in this bank at the present time. However, his attorney, Mr. Cohen, and a Vice-President of companies owned by Martin V. Smith are also directors and shareholders of the proposed bank. None of the directors will have more than five percent ownership of the bank's stock. There does not appear to be a financial or ownership connection between the bank and the Oxnard Business-Research Park. Under these facts, it is my opinion that there is no conflict which would require your disqualification in decisions affecting the Oxnard Business-Research Park.

If any of my facts or assumptions are incorrect, I would appreciate your letting me know. If you desire additional assistance from the Fair Political Practices Commission, please either contact them directly or authorize me in writing to seek their advice.

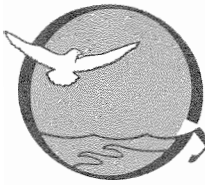
Very truly yours,



K. D. Lyders
City Attorney

fd
Enclosure

cc: Mrs. Maurer
Mrs. Johnson
Dick Maggio
Fair Political Practices Commission ✓



CITY OF
Oxnard

MAY 17 8 15 AM '85

CITY ATTORNEY • 300 W. THIRD STREET • OXNARD, CALIFORNIA 93030 • (805) 486-4311 EXT. 2270

K. DUANE LYDERS, CITY ATTORNEY

May 13, 1985

Fair Political Practices Commission
P. O. Box 807
Sacramento, CA 95804

Re: Opinion Request: Edward K. Paul, Oxnard Planning Commissioner

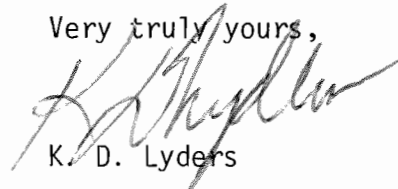
Gentlemen:

An opinion is requested with respect to the information contained in the attached letter dated May 8, 1985, concerning Edward K. Paul, member of Planning Commission of the City of Oxnard. Your advice is sought because of the recently enacted regulations dealing with otherwise related business entities with which we are generally unfamiliar at the local level.

As indicated in the attached documents, Mr. Paul, as member of the Planning Commission, would be making decisions with regard to a proposed development known as the Oxnard Business-Research Park. Principals in the development of the Oxnard Business-Research Park are also principals in the establishment of the Channel Islands National Bank. So far as I am aware, however, there is no financial or other relationship between the business park and the bank and geographically the two would be separated by approximately five miles.

If you need any additional information to respond to this request please let me know. Your prompt response would be very much appreciated.

Very truly yours,



K. D. Lyders

fd
Enclosures

cc: Ed Paul
Dick Maggio
Mrs. John Maurer
Mrs. Cherie Johnson

Mrs Joan Maurer
Sea Air Neighborhood Council
2611 Taffrail Lane
Oxnard, CA 93030
Phone #985-3560

Mrs Cherie Johnson
Seaview Neighborhood Council
3451 Oarfish Lane
Oxnard, CA 93030
Phone #985-2927

May 8, 1985

1985 MAY -9 PM 3:06
CITY OF OXNARD
CITY ATTORNEY

Mr. K. Duane Lyders
City Attorney of Oxnard
305 West 3RD Street
Oxnard, CA 93030

Dear Mr. Lyders:

We, as representatives of the Sea Air and Seaview Neighborhood Councils, are opposed to the proposed development of the Oxnard Business/Research Park that is planned on the 185 open space acreage south of 5th Street and east of Victoria Boulevard.

Information recently obtained by us indicates the possibility that Mr. Edward K. Paul, one of the Planning Commissioners who will be a part of the decision making process concerning the Oxnard Business/Research Park, may have a conflict of interest in this matter.

Mr. Paul is participating as an organizer and director of the new Channel Islands National Bank in partnership with Mr. Stanley Cohen and Mr. Gary L. O'Brien, both of whom are representatives or officers in the Martin V. Smith organization, one of the major developers of the proposed park.

This business relationship is a matter of public record and is documented, please see attachments. Also, Mr. Paul is directly associated with Mr. Martin V. Smith in a landlord/tenant business relationship as owner and proprietor of Carriage Square Liquor Store.

Based on his current business associations with the Martin V. Smith organization, we find Mr. Edward K. Paul in a potentially compromising position regarding this important issue. We feel that an unbiased, impartial evaluation and vote on the issue of the Oxnard Business/Research Park would be virtually impossible for him to make under existing circumstances. We, on behalf of our respective Neighborhood Councils, respectfully ask that you investigate the potential conflict of interest. If your office determines that there is indeed a conflict of interest, we would hope that Mr. Paul would disqualify himself by refraining from all discussion of the matter in open Commission meetings, and abstain from voting on the Business/Research Park project or zoning changes related to it.

Should Mr. Paul elect not to "step down" on the Business/Research Park issue, we will ask him in public forum to justify his position for the record and will also cogently pursue this matter through our City Council to our satisfaction. The City Planning Commission plans to address the Business/Research Park issue in its June 6th meeting, we hope to resolve this matter before then.

Respectfully awaiting your earliest reply to this urgent issue. Please write or call.

Very truly yours,
Mrs Cherie Johnson
Joan Maurer

OFFERING CIRCULAR

CHANNEL ISLANDS NATIONAL BANK

(in organization)

Oxnard, California 93030
(Organizational Office)
(805) 485-9627

150,000 to 175,000 Shares

COMMON STOCK

**(Par Value \$10.00 Per Share
Selling Price \$20.00 Per Share)**

Channel Islands National Bank (In Organization) (the "Bank") is hereby offering for sale 150,000 to 175,000 shares of its Common Stock, par value \$10.00 per share ("Common Stock"), at a price of \$20.00 per share.

THE MERITS OF THESE SECURITIES HAVE NOT BEEN PASSED UPON BY THE COMPTROLLER OF THE CURRENCY NOR HAS THE COMPTROLLER OF THE CURRENCY PASSED UPON THE ACCURACY OR ADEQUACY OF THE OFFERING CIRCULAR.

THE ISSUANCE OF THE COMMON STOCK OFFERED HEREBY IS SUBJECT TO THE APPROVAL OF THE COMPTROLLER OF THE CURRENCY. THE BANK RESERVES THE RIGHT TO CANCEL ACCEPTED SUBSCRIPTION OFFERS AT THE DIRECTION OF THE COMPTROLLER OF THE CURRENCY UNTIL THE DATE THE BANK COMMENCES OPERATIONS. IF FOR ANY REASON THE BANK DOES NOT OPEN FOR BUSINESS OR IF FUNDS ARE RETURNED TO SUBSCRIBERS, ALL OF THE CASH PAID BY THE SUBSCRIBERS FOR THE SHARES WILL BE RETURNED, PLUS OR MINUS ANY PROFITS OR LOSSES INCURRED THROUGH INVESTMENT OF SUCH FUNDS IN UNITED STATES GOVERNMENT SECURITIES. ANY OTHER COSTS OR EXPENSES WILL BE BORNE BY THE ORGANIZERS.

NO AGENT OR OFFICER OF THE BANK OR ANY OTHER PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS OTHER THAN THOSE CONTAINED IN THE OFFERING CIRCULAR; AND IF GIVEN OR MADE, SUCH INFORMATION AND REPRESENTATIONS SHOULD NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE BANK.

	Subscription Price	Underwriting Commissions (1)	Expenses of the Offering (2)	Proceeds to Bank (3)
Per Share...	\$ 20	None	\$ 0.20	\$ 19.80
Total...	\$3,000,000 to \$3,500,000	None	\$ 29,500 \$ 29,500	\$2,970,500 \$3,470,500

- (1) This offering is not underwritten and the Bank has employed no brokers or salesmen in connection therewith. No securities dealers will be compensated for any assistance rendered in connection with the sale of shares. The Bank is offering the shares of Common Stock to be sold hereby to the public solely through its Organizers and Interim Directors, who are not entitled to receive any discounts or commissions for selling such shares.
- (2) Expenses of the offering represent legal; printing, postage and advertising expenses associated with the sale and distribution of these securities. (See "USE OF PROCEEDS" and "MANAGEMENT—Certain Transactions" herein).
- (3) Organizational and pre-operating expenses, other than expenses of the offering, are estimated to be approximately \$74,775, or \$0.50 per share if 150,000 shares are purchased and \$0.43 if 175,000 shares are purchased. The organizational and pre-operating expenses will be reduced by pre-operating income generated by investment of subscription funds. (See "USE OF PROCEEDS" and "MANAGEMENT—Certain Transactions" herein.).

The Effective Date of this Offering Circular is April 15, 1985.

MANAGEMENT

Directors and Officers.

The schedule following provides information concerning officers and interim directors of the Bank, who were also the organizers of the bank.

Name, Position With The Bank And Address	Age	No. of Shares To Be Owned Beneficially	Anticipated Stock Ownership Approx. % Of The Offering If 150,000 Shares Sold	Anticipated Stock Ownership Approx. % Of The Offering If 175,000 Shares Sold
Stanley E. Cohen Organizer and Director 500 Esplanade Drive Fifth Floor Oxnard, CA 93030	53	7,500	5.0%	4.3%
Erle D. Kuske Organizer, Director and President 155 South A Street Oxnard, CA 93030	57	1,250	0.8%	0.7%
Richard D. McNish Organizer and Director 3401 West Fifth Street Suite 220 Oxnard, CA 93030	57	7,500	5.0%	4.3%
M. Wendell Morrisset Organizer and Director 2509 Roosevelt Boulevard Oxnard, CA 93030	59	1,250	0.8%	0.7%
Gary L. O'Brien Organizer and Director 500 Esplanade Drive Suite 400 Oxnard, CA 93030	49	1,750	1.2%	1.0%
Edward F. Paul Organizer and Director 1315 West Gonzales Road Oxnard, CA 93030	47	7,500	5.0%	4.3%
Jacqueline S. Pruner Organizer and Director 72 Moody Court Thousand Oaks, CA 91362	46	2,750	1.9%	1.6%
		29,500	19.7%	16.9%

STANLEY E. COHEN Chairman of the Board and Director. Mr. Cohen is the senior partner of Cohen, England and Whitfield, a Ventura County law firm with its main office located in Oxnard and a satellite office situated in Thousand Oaks. From 1969 to 1977, Mr. Cohen was a member of the Board of Directors of Commercial and Farmers National Bank and also served as Vice-Chairman of the Board and General Counsel, until it merged with the Chartered Bank of London. Mr. Cohen has also served as a former director and President of the Ventura County Economic Development Association, a past President of the Ventura County Bar Association and is a member of the Advisory Council to the President of California Lutheran College.

ERLE D. KUSKE President, Chief Executive Officer and Director. Mr. Kuske is presently the Vice-President — Area Administrator for Ventura-Santa Barbara Counties branch offices of Union Bank. Since 1946 Mr. Kuske has been employed in the banking profession. He started with the former Citizens National Bank, which later merged with Crocker National Bank. In 1976, Mr. Kuske was employed by Commercial and Farmers National Bank in Oxnard as Vice-President and manager of its headquarters office. In addition to serving as Area Administrator for Union Bank, Mr. Kuske continues to manage the Union Bank branch in Oxnard at Second and A Streets. Mr. Kuske is also active in local community affairs, serving as Chairman of the Oxnard Industrial Development Commission. He is a past Chairman and a current director of the Oxnard Salvation Army Advisory Board and will be President of the Oxnard Chamber of Commerce for the 1985-86 fiscal year.

RICHARD D. McNISH Director. Mr. McNish is the owner and President of Strathmore Homes Development Co., Inc., the developer of various residential tracts in Ventura County and Southern California. He is a past member of the Board of Directors of both the Building Industry Association and the Pacific Corinthian Yacht Club.

M. WENDELL MORRISSET Director. Mr. Morrisset is a real estate broker and an owner and President of Seashore Realty, Seashore Yachts, Seashore Leasing, and The Morrisset Financial Corporation. Between 1954 and 1970, Mr. Morrisset held various executive positions with banks in New York and California, including service as an organizer, member of the Board of Directors and the initial President of Riverside National Bank in Riverside, California. From 1970 to 1977 he was a member of the Board of Directors, member of the Executive Committee and chairman of the Directors' Examining Committee of Commercial and Farmers National Bank. Mr. Morrisset is a past President of the Oxnard Chamber of Commerce, a past Commodore of the Channel Islands Yacht Club and a present member of the Pacific Corinthian Yacht Club. He is a past member of the Advisory Committee to the Oxnard City Council, and presently is a member of the Channel Islands Rotary Club and the Oxnard Elks Lodge.

GARY L. O'BRIEN Director. Mr. O'Brien is presently the Executive Vice-President of Martin V. Smith & Associates and the Vice-President and General Manager of Ventura County Railway Company. Between 1954 and 1980, he held various positions with banks in California, with his last being as Executive Vice-President for Union Bank. Mr. O'Brien is a director of the Oxnard Chamber of Commerce and a director and President of the Channel Islands Lessees Association.

EDWARD F. PAUL Director. Mr. Paul is a certified property manager, broker and an owner of Walker and Paul Management Co., and an owner and President of Walker, Inc., a real estate brokerage and investment company. Mr. Paul is a member of the Oxnard Planning Commission, the Oxnard Ambassadors and the Oxnard Noontimers Lions Club. He is a past President of the American Lung Association of Ventura County, the Ventura County Apartment Association and the Ventura County Campfire Girls.

JACQUELINE S. PRUNER Director. Since 1963, Mrs. Pruner has been an officer and owner of Pruner Health Services, Inc., or its predecessor, Pruner Ambulance. She is a past President of the Ventura County Ambulance Association and is also an active member in state and national ambulance associations and national organizations of durable medical equipment suppliers.

The Comptroller of the Currency has the authority to disallow any of the above persons from assuming his or her designated position.

State of California



Fair Political Practices Commission

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May 30, 1985

Edward F. Paul
Planning Commissioner
City of Oxnard
P.O. Box 6211
Oxnard, CA 93031

Re: A-85-117

Dear Mr. Paul:

Your letter, received on May 24, 1985, requesting advice under the Political Reform Act has been referred to Robert Leidigh, an attorney in the Legal Division of the Fair Political Practices Commission. If you have any questions about your advice request, you may contact this attorney directly at (916) 322-5901.

We try to answer all advice requests promptly. Therefore, unless your request poses particularly complex legal questions, or unless more information is needed to answer your request, you should expect a response within 21 working days.

Very truly yours,

Barbara A. Milman

Barbara A. Milman
General Counsel

BAM:plh
cc: K. D. Lyders